

USMC FY01 TOA by Appropriation

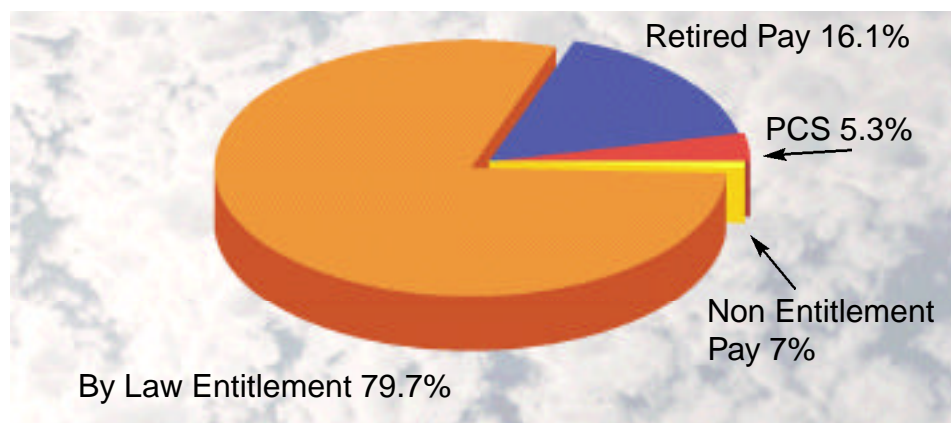
The largest elements within the Marine Corps budget request are the manpower and the operation and maintenance accounts. These accounts support our military personnel, readiness, and operations programs. Figure 5-8 shows that, combined (active and reserve), these appropriations make up 83 percent of the Marine Corps FY01 Budget.

Marine Corps procurement and research and development appropriations account for 14 percent of the budget request. These accounts support key modernization programs that are critical to the Marine Corps success on future battlefields. The remaining three percent represents investment in infrastructure in the form of family housing and new construction for active and reserve forces.

MILITARY PERSONNEL AND RESERVE PERSONNEL MARINE CORPS (MPMC and RPMC) BUDGET

The key element to supporting our people is proper compensation. The Marine Corps active and reserve manpower accounts provide this compensation and comprise sixty percent of Marine Corps TOA. The FY00 budget included three initiatives aimed at improving retention and providing a more equitable compensation package to military personnel. These were; pay raises based on full Employment Cost Index (ECI); pay table reform targeting mid-grade enlisted and officer personnel; and a 50 percent retirement benefit for all service members retiring at 20 years. The FY01 budget continues these entitlements and capitalizes on them by increasing the domestic basic allowance for housing entitlement and reducing out-of-pocket expenses to military members from the current 19 percent in FY00 to 15 percent in FY01 and eliminating them totally by FY05. The vast majority of the MPMC account funds by-law entitlements as shown in Figure 5-9.

FIGURE 5-9: MILITARY PERSONNEL FY01 BUDGET (FYDP \$M)

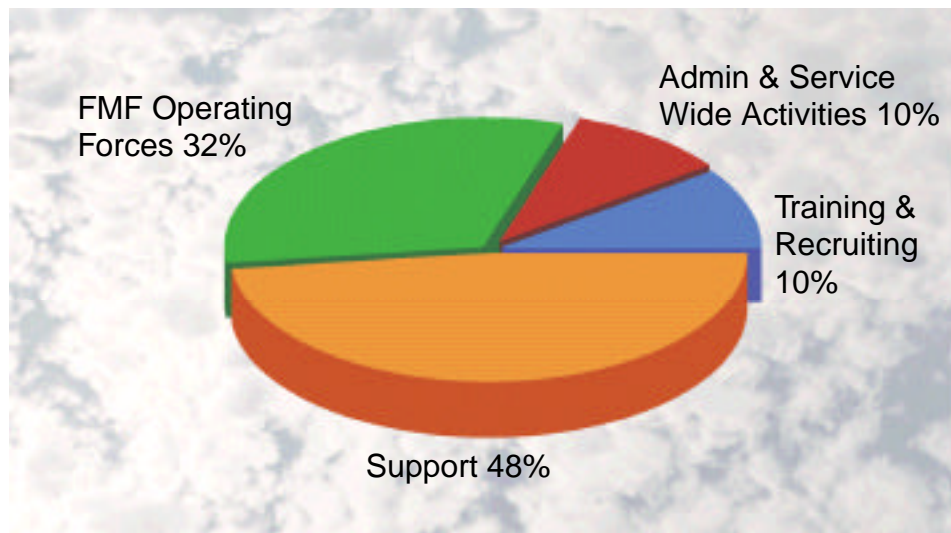


The nondiscretionary portions of this appropriation represent compensation for our Marines as authorized by Congress. Small discretionary programs (Selective Reenlistment Bonus, Aviation Continuation Pay, Enlistment Bonus, and College Fund) are modest investments that reap large dividends. These programs help the Marine Corps shape its force properly through recruiting and retention and save the taxpayers' money through reduced training costs. The Reserve Personnel Marine Corps appropriation funds the same type of programs for our reserve component. We remain committed to Reserve contributory support to enhance and complement the active force while maintaining unit readiness to meet crisis requirements.

□ OPERATION AND MAINTENANCE, MARINE CORPS (O&MMC AND O&MMCR) BUDGET

The O&M budget request of \$2.8 billion represents, in real terms, a decrease of 5.2 percent from FY00 after discounting the transfer of resources to fund the Marine Corps share of Pentagon rents and quality of life defense projects.

FIGURE 5-10: OPERATION AND MAINTENANCE BY MAJOR ACTIVITY



The O&M accounts finance the day-to-day operation of the Marine Corps. These daily operations span the width and breadth of Marine Corps activities from the recruiting, accessing, and training of Marines to the exercise and operations they conduct as part of the Fleet Marine

Force. It also includes the daily cost of operating and maintaining the bases and stations that house, support, and provide training ranges for them. Thus the O&MMC account is a crucial component of our overall readiness. This budget will support a FMF of three active divisions and associated support and combat service support elements, station and Marine-unique support for three aircraft wings and the operation and maintenance of training bases, logistics functions, and administrative activities. Despite lower spending levels, the budget includes support, at minimally acceptable levels, for the operating forces of the Marine Corps, to include continuation of the fielding of improved equipment for the individual Marine. The budget also finances the continuation of investment in outsourcing and privatization studies reflecting savings associated with operational efficiencies, and contains funding to maintain an acceptable level of depot maintenance unfunded backlog. This budget fully finances requirements for recruit training, initial skill training and follow-on training courses. It also continues our efforts to reduce the training pipeline and increase manpower strength in the FMF through the Distributed Learning program.

This budget continues to support our recruit accession goals and expanded recruit advertising campaign. Highly qualified and motivated young men and women are a foundation of our Corps. During this period of low inflation and high employment, the Marine Corps must continue to remain competitive in attracting quality recruits. Our competitiveness is a direct result of our dedication of resources, both recruiting manpower and advertising. The FY01 budget maintains recruiting and advertising at the level established in FY00.

A major portion of FMF support covers the areas of base operations and maintenance of real property. While essential levels of base operations consistent with prior years' experience have been financed, fiscal constraints have precluded necessary investment in maintaining plant property at Marine Corps bases and stations. While funding in this budget will arrest the backlog of maintenance and repair at approximately \$665 million, this level still far exceeds our goal of reducing backlog to \$100 million by FY10.

One of the Marine Corps highest priorities is the restoration of the FMF's shock absorber by increasing manning levels in the operating forces. This budget, through a series of initiatives is projecting the return of over 2,100 Marines to the FMF. These initiatives include military billet savings from installation reform, regionalizing food service operations, and civilianizing Fleet Assistance Program billets.

Our budget continues to support the Maritime Prepositioning Program through replenishment, modernization, and replacement of equipment during the MPS maintenance cycle. Also funded under this appropriation is the transportation of materiel to and from Marine Corps logistics bases.

The Department's funding of Marine Corps operations provides highly ready forces to respond to the full spectrum of crises by providing appropriately sized, positioned, and mobile forces for joint or independent operations. The O&MMCR account supports a Marine Reserve Force that includes the Fourth Marine Division, the Fourth Marine Aircraft Wing, the Fourth Force Service Support Group, and the Marine Corps Reserve Support Command. The budget also continues funding for environmental programs and provision of initial issue equipment.

PROCUREMENT, MARINE CORPS (PMC), PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS (PANMC), AND RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY (RDT&E,N)

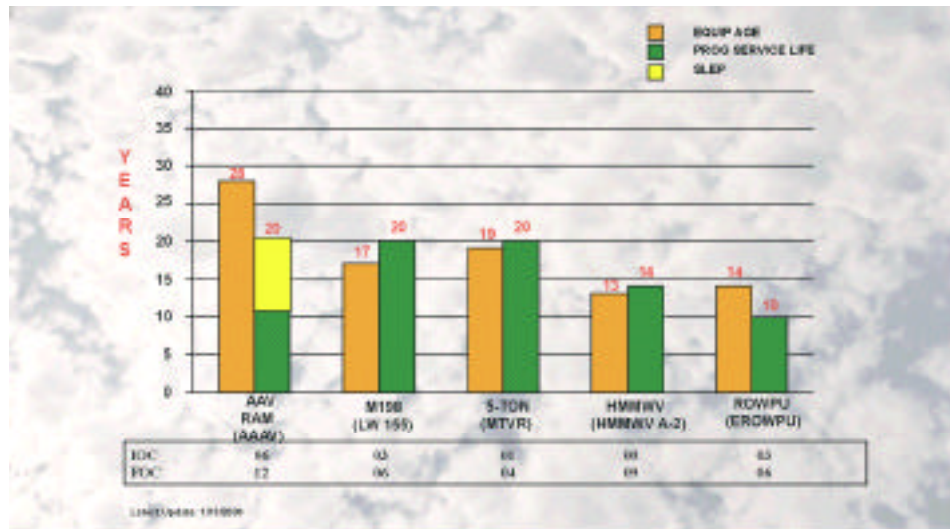
These appropriations buy all equipment Marine Corps ground forces use, all their ammunition, and necessary follow on research and development for future systems. Marine Corps equipment modernization and research and development accounts were seriously underfunded from FY93 through FY99. Figure 5-11 shows during this period, the total underfunding of our procurement accounts totaled \$3.6 billion due to annual funding being well short of the steady state level of \$1.2 billion needed annually to sustain the Corps. This extended period of underfunding has driven the recovery rate to \$1.8 billion per year. While the budget returns to the sustainment level it does not recover from the cumulative effect of those years of underfunding.

FIGURE 5-11: PROCUREMENT MARINE CORPS DOLLARS (FY01 CONSTANT DOLLARS)



As indicated in Figure 5-12 most of our major ground weapons systems are at or near the end of their planned service lives. When possible, we have taken advantage of remanufacturing and service life extension programs to extend their useful lives and bridge the gap until new equipment will be fielded. However, as discussed earlier in this chapter, maintaining old equipment is a serious burden on both the man-hours of our young Marines and our O&M resources. Increasing the pace of modernization is key to meeting this challenge.

FIGURE 5-12 GROUND EQUIPMENT AGE



The PMC & PANMC budget request of \$1.3 billion represents, in real terms, a decrease of 14 percent over FY00. Figure 5-13 depicts how the PMC appropriation is allocated to budget activities in the FY01 Budget.

FIGURE 5-13: MARINE CORPS PROCUREMENT BY BUDGET ACTIVITY (FYDP \$M)

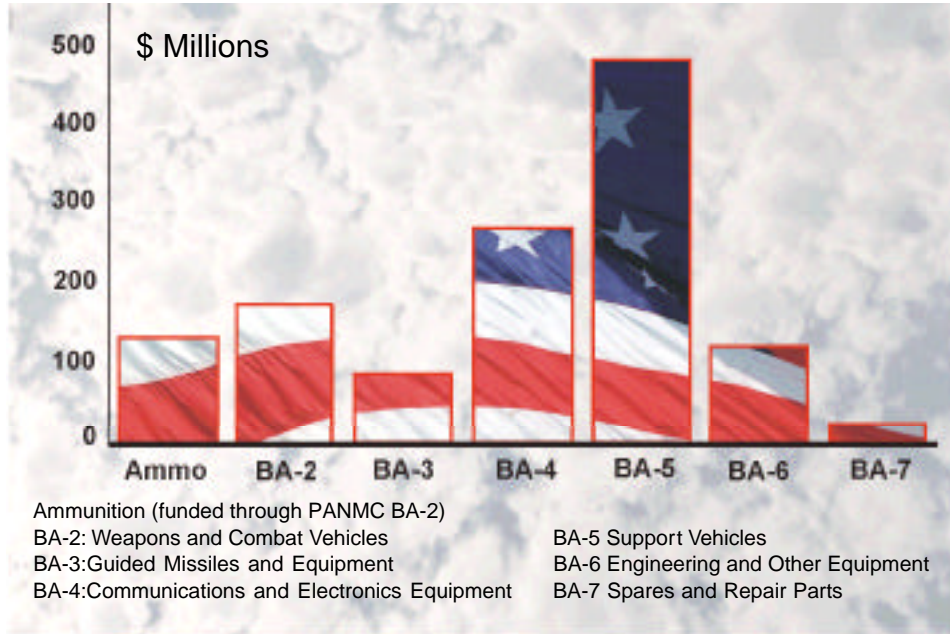


Figure 5-14: Represents R&D to support ground equipment.

FIGURE 5-14: MARINE CORPS RDT&E TO SUPPORT GROUND EQUIPMENT (FYDP \$M)

FY99	FY00	FY01
350	425	390

☐ **MARINE AVIATION PROCUREMENT**

Marine Aviation procurement is a component of Aviation Procurement, Navy. In this context Marine Aircraft procurement funding is well below the historical “steady-state” level of \$1.95 billion (See Figure 5-15). This extended period of under funding has resulted in deferred replacement of our fleet of aging aircraft and resulted in increased time and money being spent to maintain aviation readiness. It has also driven our legacy systems to significantly exceed their service lives (See figure 5-16). While significant progress has been made in the current budget to

recover from the procurement recess it still falls short of our steady state requirement necessary to sustain a modern capable Marine Corps.

FIGURE 5-15: HISTORICAL AIRCRAFT PROCUREMENT SUMMARY

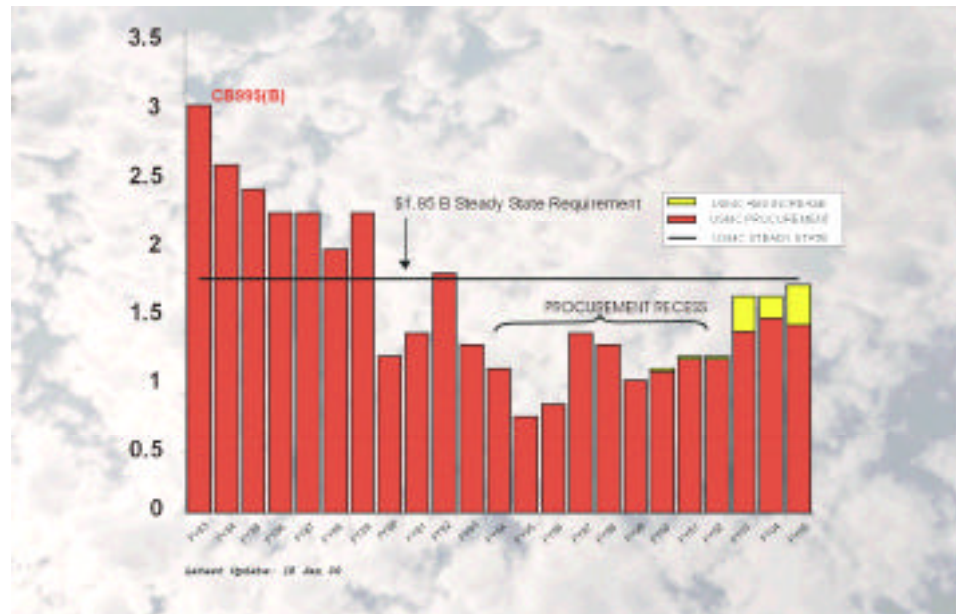
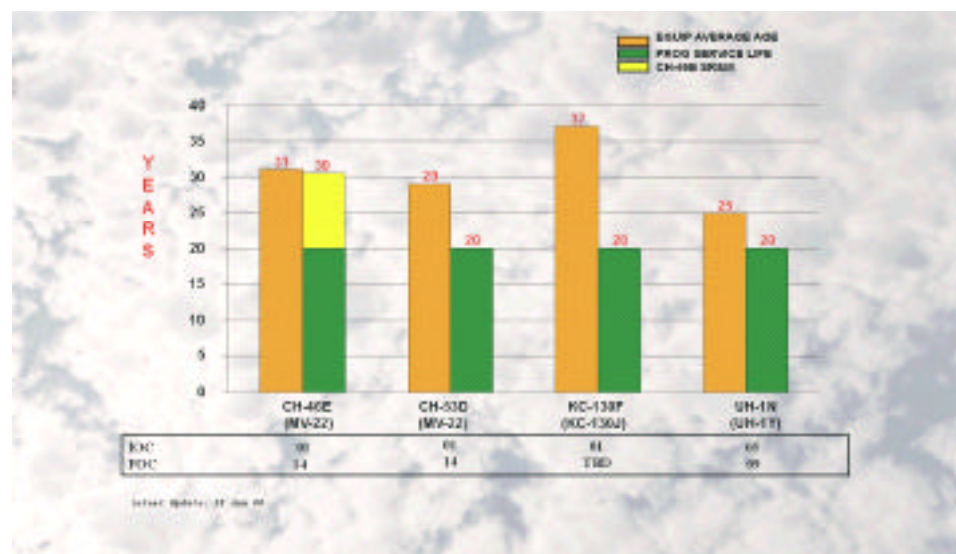


FIGURE 5-16: AGING AVIATION EQUIPMENT



Marine Corps Ground Equipment

The FY01 budget continues to focus on the development and procurement of technologies and systems that support the Marine Corps.

The FY01 budget continues funding at the steady state procurement level and the outer funding levels continue the overall upward trend toward the recovery rate. Several major replacement, remanufacture and modernization programs are included in this budget, such as the High Mobility, Multipurpose Wheeled Vehicle (HMMWVA2), the Medium Tactical Vehicle Replacement (MTVR) and the Assault Amphibious Vehicle (AAV) Reliability and Maintainability (RAM) Rebuild to Standard (RS). The HMMWVA2 program will replace our current aging inventory of first generation HMMWVs. The MTVR program will remanufacture 5-ton trucks over the next four years and provides for the economical replacement of the current medium truck fleet with enhanced off-road capabilities. The FY01 Procurement Marine Corps budget funds the continuation of the AAV7A1 RAM/RS program to provide a cost-effective method to sufficiently bridge our operational requirements until the AAV replaces the AAV7A1. This program provides for the return of mobility performance and allows affordable achievement of combat readiness.

This budget supports enhanced firepower with the continued multi-year procurement of the Javelin Missile, a medium range, man-portable, anti-tank weapon to replace the Dragon system. Development, prototyping and engineering efforts also continue for the Lightweight (LW) 155mm Howitzer, a replacement for the aging, operationally deficient M198 howitzer. The LW155 will provide artillery fire-support with increased mobility, survivability, deployability and sustainability in an expeditionary environment. LW155 procurement funding begins in FY01 for long lead and support materials.

Funding for the procurement of ammunition is reflected in the Procurement of Ammunition, Navy and Marine Corps appropriation. The FY01 budget continues the effort to reach the Marine Corps goal of satisfying the combat requirement through the FYDP while meeting the annual ammunition training requirements.

A significant portion of the Marine Corps FY01 Ground Research and Development budget is dedicated to the AAV, which will replace the thirty year old Assault Amphibious Vehicle. As highlighted in Chapter IV, the AAV is an integral part of the amphibious triad that is essential for Operational Maneuver From the Sea. The AAV will allow for the immediate, high speed maneuver of Marine infantry units as they emerge from ships located over the visual horizon.

Also continuing in FY01 is the development of the Short-Range Anti-Armor Weapon (Predator), a lightweight, disposable, main battle tank killer. The FY01 R&D budget continues to finance the Marine Corps led experimentation with future tactics, concepts and innovations involving both Marine and Navy forces. The Marine Corps Warfighting Laboratory is the centerpiece for operational reform in the Corps, investigating new and potential technologies and their impact on how the Marine Corps organizes, equips and trains to fight in the future. Additionally, as the DOD Executive Agent for Non-lethal Weapons (NLW), the USMC budget continues to finance NLW research and development. In the FY01 budget, we seek to leverage developing and emerging technologies that have applications across the spectrum of warfare. Specific R&D efforts will focus on NLW capabilities that are counter-personnel and counter-materiel in nature.

Military Construction (MCON/MCNR)

Our Military Construction (MilCon) appropriation provides funding for the planning, design, construction, alteration, and improvement of Marine facilities. At a facilities replacement rate in excess of 100 years, our MilCon budget remains well short of the Marine Corps fiscally constrained goal to replace our physical plant every 70 years. Our main efforts focus on the most immediate needs to ensure readiness, to meet safety and operational needs, and to maintain our commitment to eliminate inadequate bachelor enlisted quarters. This budget places a high priority on readiness as we replace or modernize armories, aircraft rinse facilities, training ranges, aircraft hangars and other vital infrastructure needs that contribute to the readiness of our Corps. Within top line constraints we have ensured that an adequate portion of our MilCon budget is dedicated the quality of life of our Marines through maintaining a minimal investment of approximately \$50 million every year for bachelor enlisted quarters construction or renovation. Additionally, we continue to dedicate funds annually to maintain physical fitness family service, and child development centers.